

# NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIFORNIA



## THESIS

**AN ANALYSIS OF UNITED STATES MARINE  
CORPS CONTRACTING DURING OPERATIONS  
DESERT SHIELD AND DESERT STORM**

by

Gregory R. Caldwell

December 1995

Principal Advisor:

Rebecca J. Adams

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DTIC QUALITY INSPECTED 1

REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE December 1995		3. REPORT TYPE AND DATES COVERED Master's Thesis
4. TITLE AND SUBTITLE <b>AN ANALYSIS OF UNITED STATES MARINE CORPS CONTRACTING DURING OPERATIONS DESERT SHIELD AND DESERT STORM</b>			5. FUNDING NUMBERS	
6. AUTHOR(S) Caldwell, Gregory R.				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey CA 93943-5101			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.				
12a. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution is unlimited.			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words)  The purpose of this study was to document United States Marine Corps contracting and procurement activities during Operations Desert Shield and Desert Storm. This was accomplished by examining who was there, how they were organized, and in what type of actions the contracting and procurement professionals were involved. The researcher evaluated these areas to determine not only what improvements can be made, but also what should not be changed.  The results of this study indicates that the Marine Corps needs to examine the following areas: the current organization of Marine Corps contracting, hardware and software requirements of contingency contractors, legal officer requirements, and the training and education needs of the contracting workforce. This study also recommends changes to the structure and organization of current contracting units, the standardizing of software used by the various contingency contracting organizations, the identification qualified legal officers to be deployed for contingencies, training for both contractors and senior commanders and the use of the lesson learned system to document contracting operations.				
14. SUBJECT TERMS Contingency, Contracting, Contingency Contracting, USMC, Desert Shield/Desert Storm			15. NUMBER OF PAGES 86	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL	



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CONTRACTING DURING OPERATIONS DESERT  
SHIELD AND DESERT STORM**

Gregory R. Caldwell  
Major, United States Marine Corps  
B.B.A., Texas A&M University, 1984

Submitted in partial fulfillment  
of the requirements for the degree of

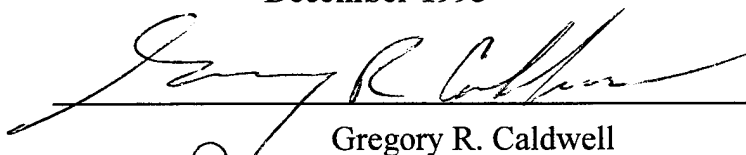
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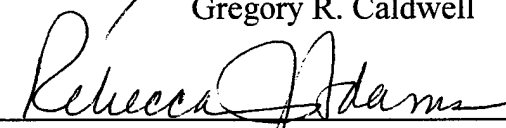
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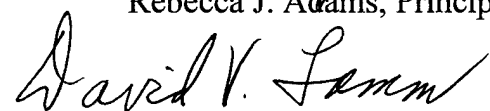
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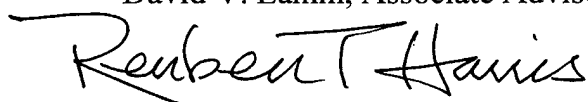
Author:

  
Gregory R. Caldwell

Approved by:

  
Rebecca J. Adams, Principal Advisor

  
David V. Lamm, Associate Advisor

  
Reuben T. Harris, Chairman  
Department of Systems Management



## ABSTRACT

The purpose of this study was to document United States Marine Corps contracting and procurement activities during Operations Desert Shield and Desert Storm. This was accomplished by examining who was there, how they were organized, and in what type of actions the contracting and procurement professionals were involved. The researcher evaluated these areas to determine not only what improvements can be made, but also what should not be changed.

The results of this study indicates that the Marine Corps needs to examine the following areas: the current organization of Marine Corps contracting, hardware and software requirements of contingency contractors, legal officer requirements, and the training and education needs of the contracting workforce. This study also recommends changes to the structure and organization of current contracting units, the standardizing of software used by the various contingency contracting organizations, the identification qualified legal officers to be deployed for contingencies, training for both contractors and senior commanders and the use of the lesson learned system to document contracting operations.



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## **I. INTRODUCTION**

### **A. BACKGROUND**

The United States Marine Corps contracting and procurement personnel played a vital role during Operations Desert Shield and Desert Storm. They executed over 3300 contract actions that amounted to approximately 85.5 million dollars in U. S. funds and over 250 million dollars in host-nation-supported awards. Their ability to supply the Marines in the field with much needed supplies, equipment and repairs in a short amount of time was incredible. Contracting is not an easy task and Operations Desert Shield and Desert Storm provided the first time since Vietnam in which contingency contracting played such an important role in Marine Corps operations. From the offload of equipment at points of debarkation, to purchasing food, water, and repair parts for the Marines on the front lines, Marine contracting and procurement personnel were involved. These purchases benefitted the Marines in many ways. Local purchases reduced the already overloaded transportation system, not only from the United States to Saudi Arabia but also within Saudi Arabia. This equates to drastically reduced transportation costs as well. Purchasing goods and services in country meant that the goods and services got to the using units much quicker. The contracting personnel were also able to obtain goods and services that were not available through the supply system. [Ref. 15:p. 48] The actions that were accomplished in an exemplary manner should be documented for others to follow. Other tasks could be improved and these should be identified so others can learn from the experience. Operations Desert Shield and Desert Storm are prime examples of the types of major conflicts Marines may find themselves fighting in the future. Many lessons learned can be derived from an analysis of the actions that took place. These lessons learned can then be used to improve future operations.

This study is intended to help contracting and procurement personnel who are placed in similar situations in the future. Being able to draw on the knowledge and experience of those individuals who participated in Desert Shield and Desert Storm should be beneficial to those of us who are responsible for acquiring the supplies and services that the Marines in the field require. This study will reflect what contracting and procurement professionals can expect to face in future operations.

## **B. OBJECTIVES OF RESEARCH**

The main objective of this study is to document United States Marine Corps contracting and procurement activities during Operations Desert Shield and Desert Storm. The study intends to provide a historical record of the contracting and procurement activities. The research focused on who was there, how they were organized, and in what type of actions the contracting and procurement professionals were involved. The researcher evaluated these areas to determine not only what improvements can be made, but also what should not be changed.

In order to do this, the researcher examined United States Marine Corps contracting and procurement activities during Operations Desert Shield and Desert Storm. The study also examined what changes have already been incorporated since 1991 in order to determine what still needs to be accomplished.

## **C. RESEARCH QUESTIONS**

The primary research question was: "What were the critical challenges facing U. S. Marine Corps contracting personnel during Desert Shield and Desert Storm?" The subsidiary questions were:

1. What were the major factors contributing to these critical challenges?
2. How did the contracting personnel respond to these challenges?

3. What were some of the alternatives or options that could have been employed to overcome the challenges?
4. What significant changes took place after the novation was executed in November 1990 that placed financial responsibility for the funding of five commodities with the Saudi Government?
5. What were the reporting relationships and management structure of the various contracting cells and personnel?
6. What contracting procedures were in use at the time and what exists today?

#### **D. SCOPE**

This research effort was primarily concerned with documenting United States Marine Corps procurement and contracting operations during Operations Desert Shield and Desert Storm. The thesis analyzes those contracting and procurement actions that took place throughout the various stages of the operations to detect the similarities and differences. The researcher also looked at the personnel, structure, and reporting relationships of the contracting section(s). The intent was to learn what lessons can be drawn from the experience of the deployed contracting and procurement professionals and to recommend improvements to existing procedures.

#### **E. LIMITATIONS**

Since this study was accomplished more than four years after the end of Operations Desert Shield and Desert Storm. Not all of the individuals involved in United States Marine Corps contracting and purchasing actions were available. Some of the Marines who left the Service were unable to be contacted. However, the researcher was still able to contact a majority of the personnel, so this limitation should have little affect on the conclusions drawn from the study.

## **F. ASSUMPTIONS**

Throughout this thesis it is assumed that the reader has a basic understanding of Marine Air Ground Task Force (MAGTF) structure, organization, and employment tactics. It is also assumed that the reader has a basic understanding of United States Marine Corps contracting language and procedures.

## **G. RESEARCH METHODOLOGY**

The information presented in this thesis was obtained from: (1) procurement records; (2) personal and telephonic interviews held with numerous present and former United States Marine Corps personnel involved in contracting and procurement actions during Operations Desert Shield and Desert Storm; (3) questionnaires mailed to selected individuals; and (4) development of a comprehensive literature base.

The literature base utilized in this study was collected from current DoD directives and instructions, the Naval Postgraduate School library, the Defense Logistics Studies Information Exchange (DLSIE), current publications and periodicals, and United States Marine Corps official reports.

## **H. DEFINITIONS**

The following definitions will aid the reader in developing an understanding of the contingency contracting process in the United States Marine Corps:

1. Acquisition - means the acquiring by contract with appropriated funds of supplies and services (including construction) by and for the use of the Federal Government through the purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, awards of contracts, contract financing, contract administration, and those technical and management functions directly related

to the process of fulfilling agency needs by contract. [Ref. 16:Part 2.101]

2. Combat Service Support Element (CSSE) - composed of supply, landing support, maintenance, transportation, general engineering, health services, disbursing, postal, exchange services, information services, legal, security support, civil affairs support, and graves registration. Contracting specialists were assigned to these organizations. CSSEs are designed to complement the service support activities of the Ground Combat Element, Air Combat Element, and Command Element. [Ref. 20:p. 17]
3. Contingency Contracting - contracting performed in support of a peacetime contingency at an overseas location pursuant to the policies and procedures of the Federal Acquisition Regulation. [Ref. 4:p. 5]
4. Contingency - an emergency involving military forces caused by natural disasters, terrorists, subversives, or by required military operations. Due to the uncertainty of the situation, contingencies require planning, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment. [Ref. 1:p. 7]
5. Contracting - purchasing, renting, leasing, or otherwise obtaining supplies or services from nonfederal sources. Contracting includes descriptions (but not requirements determination) of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. It does not include making grants or cooperative agreements. [Ref. 16:Part 2.101]
6. Delivery Order - means an order for supplies or services placed against an established contract or with Government sources of supply. [Ref. 16:Part 13.101]
7. Deployment - the relocation of a force to a desired area of operations. [Ref. 4:p. 5]
8. Deviation - the issuance or use of a policy, procedure, solicitation provision, contract clause, method, or practice of conducting



acquisition actions of any kind at any stage of the acquisition process that is inconsistent with the FAR. [Ref. 16:Part 1.401(a)]

9. Federal Acquisition Regulation (FAR) - the FAR provides uniform policies and procedures for acquisitions by executive agencies of the Federal Government. [Ref. 16]
10. Marine Air-Ground Task Force (MAGTF) - a task organization of Marine forces (ground combat, air, and combat service support elements) under a single command and structured to accomplish a specific mission. Also includes Navy support elements. [Ref. 3:p. 74]
11. Marine Expeditionary Brigade (MEB) - normally composed of a reinforced infantry regiment, an air group, and a brigade service support group (BSSG). [Ref. 20:pp. 22-24]
12. Maritime Prepositioned Force (MPF) - MPF squadrons are comprised of prepositioned Marine equipment that is capable of supporting a MEB for 30 days. Marines are flown in to link up with their equipment. The purpose is to be able to rapidly project combat power into an area. It takes approximately 7 -10 days to be combat ready once the link up occurs. [Ref. 20:p. 24]
13. Micro-purchase - means an acquisition of supplies or services (except construction), the aggregate amount of which does not exceed \$2,500. Micro-purchases for construction are limited to \$2,000. [Ref. 16:Part 13.101]
14. Mobilization - the rapid expansion of military forces and production to meet personnel and material demands in a warfighting situation. This requires the action of the President or Congress (usually a declaration of a national emergency). The removal of the peacetime acquisition constraints happen as a result of the activation of emergency powers of the President. There are varying degrees of mobilization that the President can order.
  - a. Full Mobilization - the mobilization of military forces and resources to support existing and planned forces.

- b. Partial Mobilization - the mobilization of the reserve and the resources necessary for support. The President has limited call up authority of up to 200,000 reserve personnel without approval of Congress.
  - c. Total Mobilization - mobilization of resources beyond the existing force structure. This mobilization generally equals or exceeds the limit of the national economy. [Ref. 4:p. 5]
- 15. National Emergency - condition declared by the President or by Congress which authorizes certain emergency actions to be undertaken in the national interest. Actions to be taken may range up to total mobilization. [Ref. 4:p. 5]
  - 16. Purchase Order - means an offer by the Government to buy certain supplies or services and construction from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the small purchase limit. [Ref. 16:Part 13.101]
  - 17. Requisition - documentation submitted to a supply source to obtain goods or services. Requisitions may be transmitted by message, telephone, or radio when time is of the essence. [Ref. 1:p. 8]
  - 18. Small Purchase - means an acquisition of supplies, services, and construction in the amount of \$25,000 or less using the small purchase procedures established in the FAR. [Ref. 16:Part 13.101]

## **I. ORGANIZATION OF THESIS**

This thesis attempts to take the reader through the subject at hand in a logical manner. Chapter II of this thesis presents a comprehensive review of the contracting files used to demonstrate what type of actions with which personnel were involved. This chapter also discusses the information obtained from the interviews and questionnaires. Chapter III presents an in-depth chronology of events that took place during Operations Desert Shield and Desert Storm. Chapter IV is an interpretation

and historical analysis of the events and actions that transpired. Chapter V will present the researcher's conclusions and recommendations.

## **II. REVIEW OF LITERATURE**

### **A. GENERAL**

Despite executing over 3300 procurement and contract actions, and playing a vital role in the supplying of Marine forces in Southwest Asia, very little has been written to document or outline the Marine Corps contracting team's efforts during operations Desert Shield and Desert Storm. The only two in-depth pieces of literature written were the United States Marine Corps Contracting Office, Jubail, Saudi Arabia, Head of Contracting's After Action Report [Ref. 2] and the Procurement Management Review [Ref. 17] that was conducted in August of 1991.

### **B. WRITTEN DOCUMENTS**

The After Action Report, though comprehensive, only discusses the contracting team's key topics of concern and not every aspect of the contracting effort. That report contained many good conclusions and recommendations. One of the objectives of this research was to follow through on these recommendations to determine which were implemented, which were not implemented, and which ones may still be applicable and should still be acted upon. The Procurement Management Review (PMR), on the other hand, basically just looked at the contract records. The intent of the PMR was to "measure the adequacy and effectiveness of the procurement function." [Ref. 17] The review took place over a period of four days and was only a limited review. One reason for the limited review was that not all contracts had been returned from Saudi Arabia, therefore a 100% review was not possible. A second reason was the sheer number of procurement and contract actions that took place. To review over 3300 actions would take a very long time even for a well-staffed and qualified review team. These two documents, however, provided the background information that was required in order to conduct comprehensive

interviews with those individuals who performed as members of the contracting team during the Gulf War. A baseline list of questions was developed based on the information contained in the After Action Report and the PMR.

There are a few other articles and publications that contained bits and pieces of information concerning Marine Corps contracting actions during operations Desert Shield and Desert Storm. These articles and publications contained mostly information about contingency contracting in a general sense and just included brief statements about the Marine Corps contracting actions during operations Desert Shield and Desert Storm. There are numerous other articles written by members of the other Services and also some civilian procurement personnel that discuss contingency contracting. These articles and publications were very helpful in understanding the general tenants of contingency contracting. Some of these articles also provided a good comparison of Marine Corps contracting actions and those actions of the other Services.

### **C. INTERVIEWS**

The majority of the information presented in this study was obtained from personal interviews. The researcher attempted to interview as many of the actual participants that could be located and that were available for interview. Thirteen of the seventeen contracting personnel involved in Marine Corps contracting activities during Operations Desert Shield and Desert Storm were contacted. Those that could not be personally interviewed were sent a questionnaire that also served as the baseline for the personal interviews. Any clarifications of their responses were made telephonically. The set of baseline questions was developed to begin the interviews. Those areas of interest or concerns of the interviewee could then be expanded on during the interview.

## **1. Benefits**

The personal interviews provided valuable insight into the actions that took place on a day-to-day basis. The main objective of the interviews was to fill in the information that was not found in either the After Action Report or the PMR. Questions that were asked would trigger memories of events that had since been undocumented. The interviewees would suggest different areas to discuss that were not only interesting but provided valuable documentation of lessons learned. These lessons should be disseminated to others who may find themselves in the same or similar situations in years to come.

Another benefit of the personal interviews was that most of the individuals had different experiences and performed different functions during the Gulf War. The researcher was able to obtain the perspectives of not only the senior contracting leadership but also views from the majority of the purchasing and contracting specialists (military occupation specialty 3044) whose experiences were much different than those experienced by the officers involved.

## **2. Baseline Questions**

The baseline list of questions was as follows:

1. What was the extent of your contracting training and education prior to Desert Shield/Storm?
2. What was the extent of your contingency contracting training and education prior to Desert Shield/Storm?
3. What was the extent of your contracting experience prior to Desert Shield/Storm?
4. What was the extent of your contingency contracting experience prior to Desert Shield/Storm?

5. Did you have a contracting warrant beforehand, and if so, what was the limit?
6. What unit were you assigned to at the time you were ordered to Desert Shield/Storm?
7. Approximately what date did you arrive in the theater of operations?
8. Where were you assigned? (Location & unit/section)
9. What duties were you assigned?
10. Do you feel that you were adequately prepared to perform these duties?
11. What equipment (office equipment, reference material, forms, etc.) did you (your section) take with you?
12. In hindsight, what else would you have brought and what would you have left behind?
13. Which unit(s) did you support the most, and who (person/billet) did you communicate/coordinate with most often?
14. How heavy was your workload, and what type of work did it consist of?
15. How did you find/develop sources, and what difficulties did you encounter?
16. Briefly explain your relationship with the vendors. Were there many problems associated with their customs, language, etc.?
17. Did adequate competition exist? What was the average number of vendors for common supplies and services?
18. Did you receive any feedback on the quality of goods received by the units?
19. How good was the timeliness and accuracy of vendor deliveries?

20. How were disputes handled?
21. How were payments made? Any problems encountered?
22. Did you have to purchase any items from the U. S.? If so, what type?
23. Did you have any interaction/communications with Field Contracting Support Office (LBO) at Headquarters Marine Corps (HQMC)?
24. Were there many problems with purchase orders or units requests? If so, what type of problems did you have and how did you resolve them?
25. Were requirements usually consolidated at some point before reaching the contracting personnel? If so, at what level?
26. Did you encounter many instances where units made unauthorized commitments? If so, how were these resolved?
27. Who established the priorities that determined what items were the most important to obtain?
28. What type of contract actions were most prevalent? (Fixed price, etc.)
29. What type of contract methods were used most often? (New contracts, Basic Ordering Agreements, etc.)
30. Did you have to prepare very many Justification and Approvals (J & A)? What justifications were used the most? Any class J & As?
31. What were the major difficulties associated with contract administration?
32. What were the major difficulties associated with contract closeout?
33. What were the major difficulties associated with termination of contracts?
34. What affect did the novation executed in November 1990 have on your duties? What, if any, difficulties did it cause?



35. The Marine Corps leased a lot of equipment for use during the buildup and the war. What were the associated problems?
36. What conflicts did you encounter concerning current regulations? (FAR, Defense Federal Acquisition Regulation Supplement (DFARs), Marine Corps directives, etc.)
37. Given these conflicts, what recommended changes would you make to current policy/regulations?
38. What do you think can be done to ensure that Marine Corps contracting personnel are better organized and equipped to handle contingency or wartime operations?
39. What were the five greatest challenges that you encountered, how did you overcome those challenges, and what can be done to ensure they will be overcome in the future?

#### **D. PURCHASING AND CONTRACTING FILES**

A review of the actual purchasing and contracting records also proved to be very informative. The review enabled the researcher to make an evaluation of the procurement procedures that were followed or not followed. The researcher was able to determine what type of actions occurred during the course of the Gulf War. Two things were very noticeable. The first was that the changes in the type of purchasing and contracting actions was evident over the period covered in this study. The second was that the differences in the adequacy and accuracy of the contract administration effort was also evident.

As would be expected, the contracting and procurement files were not as complete and organized as those that would be found at a well-staffed base contracting office. The review of these files revealed numerous deficiencies in both adherence to regulations and in contracting procedures and documentation. The number of deficiencies greatly decreased as time went on. Problems were discovered

in both small purchases and formal contracts, but small purchase procedures contained many more deficiencies on average. Also of note here is that small purchases comprised over 99% of all procurement actions.

### **1. Formal Contracts**

Firm-fixed price contracts were the contracts of choice for the Marine Corps contracting office. Sealed bidding, sole source, and negotiated procurements were all utilized to some extent but sealed bidding appeared to be the primary method. The formal contracts themselves were adequate overall. Those written during the early stages of Desert Shield were lacking in organization and documentation. The basic contract structure required by the FAR was not always followed. The lack of proper documentation was key because it affects all other areas. Where documentation did not exist, the researcher was unable to determine if certain required actions actually were accomplished. Very little documentation could be found on the extent of competition during the first couple of months. Nor could much documentation be found to justify the prices paid or how the prices were arrived at. Lastly, there was only minimal contract administration documented as being accomplished before the end of the war. It was extremely evident though that formal contract procedures improved over time.

### **2. Small Purchases**

More serious problems were found during a review of the small purchase files. Standard Form 44 (SF-44), Purchase Order-Invoice-Voucher, and DD Form 1155, Order for Supplies or Services, were both used in great numbers. There were numerous violations of the small purchase thresholds that were in place at the time of the actions. As with formal contracts, competition and price justification documentations were not always present. There were also instances where restricted items were purchased or the SF-44 was used in an inappropriate manner. The most obvious

deficiency was the numerous SF-44s which were issued prior to 13 September 1990, which exceeded the dollar threshold that was in effect at that time. The FAR states that the SF-44 may be used if the amount of purchase is not over \$2500 unless agencies establish higher dollar limitations. [Ref. 16:Part 13.505-3(b)(1)] Approximately 30% of the files reviewed that were dated prior to 13 September 1990 exceeded \$2500 and contained no documentation as to price reasonableness or the extent of competition. Most of those that exceeded the threshold did so by thousands of dollars.

Other problems encountered during the review of the SF-44s included problems with funding authorizations and payments. Some of these included; payments made that exceeded the funding authorization, payments made prior to the delivery of goods or services, payments made in full for incomplete deliveries, and funding amounts written in after purchases were made. There were also instances where items purchased did not match the items requested, and where requisitions were vague or contained numerous changes. No documentation was found to substantiate who made the changes or who authorized the changes. Indicative of the deficiencies with the SF-44 actions is the fact that numerous numbering systems were used in an attempt to establish some local control. These numbering systems were not in accordance with Marine Corps Order P4200.15. [Ref. 20:pp. 10-3-10-6]

Purchase orders using DD Form 1155s had some of the same type of deficiencies as did the SF-44s. The small purchase threshold of \$25,000 that existed during the early stages of the conflict was exceeded on various occasions. Very little documentation existed to substantiate competition and price reasonableness. It is impossible to tell from the files if any efforts were made to ensure that the buy was competitive or if the prices obtained were fair and reasonable. Like the SF-44s, there were days when numerous purchase orders were made with the same vendor.

The biggest problem with Blanket Purchase Agreements (BPA) had to do with who was authorized to place calls against the BPAs. Some files did not contain a list of authorized personnel who could make calls and some files had lists that were dated well after the establishment of the BPA. There was evidence that unauthorized individuals placed calls, but it was difficult to determine how often. There were also cases discovered where calls were made against BPAs for items that were not covered. The last problem was that of units exceeding their authorized call amounts. One unit in particular exceeded their limitation on numerous occasions even after corrective actions were taken and a new authorized individual was appointed.

The legal requirements were not always documented in the files either. The Marine Corps did not have a representative from the office of Counsel for the Commandant in country until mid-September so any legal reviews prior to then did not occur, except in Bahrain where the Navy helped out. After that time, many of the contracts and purchasing actions that required legal review had the required documentation and most had been reviewed in a timely manner. This, however, was not the case 100% of the time.

#### **E. SUMMARY**

The knowledge and information obtained from the sources listed above were very instrumental in the development of this study. The personal interviews and the review of the contracting and purchasing files created a very good picture of the Marine Corps contracting and purchasing activities during Operations Desert Shield and Desert Storm.



### **III. CHRONOLOGY OF EVENTS**

#### **A. THE INVASION AND WORLD REACTION**

At approximately 0100 on 2 August 1990, three Iraqi Republican Guard Divisions crossed the Iraq-Kuwait border at various points. They proceeded to attack towards Kuwait City from the north and west. By daylight, the divisions had linked up, and in coordination with heliborne forces, they were able to over take the city by the end of the day. The forces did not stop there. Next they moved on toward the Kuwait-Saudi Arabia border. By noon, on the 3rd of August, they were there. [Ref. 19:pp. 3-4] There has been much speculation and many reasons have been given for the invasion. Most theories have to do with oil/money disputes between Iraq and Kuwait. The reasons are not as important, as are the consequences of Iraq's actions, and the response by the United States.

The United Nations was quick to condemn the Iraqi attack, but it was four days before any action of significance was taken. On 6 August 1990, the United Nations approved UN Resolution 661 which established a trade embargo against Iraq. [Ref. 19:p. 231] The intent of these sanctions was to try to force Iraq out of Kuwait without resorting to the use of military force. Freeing Kuwait was not the only problem though. Iraqi forces were still poised at the Saudi Arabian border and without a clear understanding of their intent.

On 7 August 1990, in response to the situation, President Bush ordered the first U. S. forces to deploy to help defend Saudi Arabia. Numerous Marine units received orders from the chain-of-command to prepare for deployment. The 1st, 4th and 7th Marine Expeditionary Brigades (MEB) were alerted for possible deployment. The 1st MEB was headquartered in Hawaii, the 7th MEB was comprised of units stationed in Southern California, and the 4th MEB was comprised of units stationed along the East

coast. At the same time, Maritime Preposition Squadron 2 (MPSRon-2) was ordered to sail from Diego Garcia and MPSRon-3 was ordered to sail from Guam. They began to sail the following day. On 10 August, the 7th and 1st MEBs were ordered to be airlifted to Saudi Arabia to link up with MPSRon-2 and MPSRon-3 respectively. The 4th MEB was also ordered to prepare to deploy. They later embarked aboard ships and sailed. [Ref. 19:pp. 8-9]

## **B. INITIAL INVOLVEMENT OF MARINE CORPS CONTRACTING PERSONNEL**

The 7th MEB was the first to deploy. They began their air movement on 12 August 1990. The first elements began arriving at Al Jubail, Saudi Arabia on the 14th of August. The first ships of MPSRon-2 began arriving the following day. The initial elements in-country included one 3044, Purchasing and Contracting Specialist. This individual was able to arrive early, but he arrived with very little in the way of contracting equipment. At the time the Iraqis invaded Kuwait, the senior member, a Staff Sergeant (SSgt), of the deployed contracting section of 1st Force Service Support Group (FSSG) was deployed in Turkey along with another member of the section and a vast majority of their equipment. These members were recalled from Turkey and arrived just prior to the first 3044 deploying. Their contracting supplies did not. To complicate matters this Marine was very inexperienced and would be on his own for a few days. In these initial days, he was able to establish laundry services and obtain rental cars. He held his own until the staff noncommissioned officer-in-charge (SNCOIC) arrived with another 3044. A few days later, two more 3044s arrived to complete the section. This last group was able to bring along some of the much needed contracting supplies and equipment. These Marines were assigned to Brigade Service Support Group 7 (BSSG-7), the senior Marine logistical outfit in-country. [Ref. 6]

## **1. Establishing an Office in the Port of Jubail**

During this initial deployment, the majority of Marines in Saudi Arabia were confined to the port facilities at Jubail. Most Marine support units in-country at the time were involved in the off-load of the Maritime Prepositioned Squadron (MPS) ships. The purchasing and contracting specialists were also confined to the port area and thus had to set up their office inside the perimeter established by the Marine Corps. This meant that the personnel spent many, many hours out and about looking for vendors and suppliers. Having the office inside the perimeter made it difficult for prospective vendors and suppliers to get in to the contracting office. Both the U. S. Forces and Saudi Arabia had placed restrictions on access to port facilities. This combined with the lack of adequate communication assets complicated the contracting office's work. Many miles were logged during that first month in an attempt to fill requirements as fast as possible within the confines of the regulations. Much of the contracting office personnels' time was spent searching phone books looking for potential contractors. The Marines did receive some assistance from the Saudi Port Commissioner. His office had a list of referrals that the Marines could use in order to send out solicitations. One respondent stated that the Marines also got referrals from some of the contractors with whom they did business. If a contractor did not have what was required and knew of a contractor who did, they would sometimes pass this information on.

## **2. Bahrain**

One of the purchasing and contracting specialists was directed to establish a satellite contracting office in Bahrain to support the Marine forces positioned in that area. These forces consisted mainly of the 3rd Marine Air Wing. The initial problems encountered in Jubail were not present in Bahrain. The Public Works Section of the Navy's Administrative Support Unit (ASU) helped out tremendously.



The ASU had previously out sourced most of the required commodities, so finding vendors and suppliers was not very difficult. The Navy had been contracting for goods and services for a while in Bahrain and thus, they were able to help the Marine purchasing and contracting specialist. This assistance not only included office space and the use of the facilities, but also contracting support as well. The ASU actually did some small purchases for the Marine Corps prior to the arrival of Marine contracting personnel. There were some civilian 1102s at the Navy Regional Contracting Center, which were available to help review contracts for correctness. The Marines also were able to capitalize on BPAs that were already in place. Another advantage was that the contractors did not have to get used to a new system of payments because the Marines used the disbursing system the Navy currently had in place. The purchasing and contracting specialist had individuals close at hand who could assist him with any problems and this made the establishment of the Bahrain office much easier. [Ref. 5]

### **3. Increasing Contract Authority**

Most of the purchasing and contracting specialists had only limited contracting authority. Before deploying, most were only involved in small purchase procedures and were warranted to \$25,000. Given the nature of what they had to accomplish, it was quite evident that this would not be sufficient. In order to meet the needs of the deployed forces, the Deputy Chief of Staff, Installations and Logistics (I&L) appointed the purchasing and contracting specialists as contracting officers with contracting authority up to \$250,000. [Ref. 9] This helped immensely in solving the dollar threshold for their buying authority, but the majority of the 3044s deployed to Saudi Arabia had very limited knowledge and experience with writing and administering contracts. [Ref. 6]

By 20 August 1990, the ground combat element of the 7th MEB was in position and prepared to fight. They were occupying defensive positions in Northeastern Saudi Arabia as a line of defense against a possible Iraqi invasion. The 1st MEB began their airflow on the 25th of August. They were to link up with the ships of MPSRon-3 which began to arrive on the 26th. This basically doubled the number of units that the purchasing and contracting specialists had to support. The affect on contracting actions was not so much what was being bought, but how much was being bought. Contracts were let for laundry services and port-a-potty services to support only so many Marines, but the number of Marines in-country was rising at a rapid rate. For one reason or another, the purchasing and contracting specialists were not apprised in advance of what was going to be required and thus it was hard for them to keep up with the increasing requirements. [Ref. 6]

#### **4. SF-44 Regulatory Relief**

On 13 September the purchasing and contracting specialists received some relief from the regulations that were in place. The transaction limit for SF-44 purchases was increased from \$2,500 to \$100,000. The SF-44 is formally known as Standard Form 44, Purchase Order-Invoice-Voucher. This form was designed for quick, over the counter purchases of supplies and services when in isolated areas. As its name implies, it can be used as a purchase order, receiving report, invoice, and a public voucher. It is a small, pocket sized, self carbonated form. [Ref. 16:Part 13.505-3] Joint Staff Washington DC//J4-LRC Message 130400z SEP 90 gave authority to use the SF-44 in areas outside the United States in amounts not to exceed \$100,000. This authority was only good for the purchase of supplies and services outside the United States that were in support of Operation Desert Shield or other operations that were related to the threat caused by the Iraqi invasion of Kuwait. It essentially waived the requirement for written solicitations under \$100,000 under

most conditions. Use of the SF-44 was still subject to the requirements of FAR 13.505-3(B)(2), (3) and (4). These state that:

The supplies or services are immediately available; One delivery and one payment will be made; and, Its use is determined to be more economical and efficient than the use of other small purchase methods.  
[Ref. 16:Part 13.505-3]

The purchases made using the SF-44 still had to be supported by appropriate Justifications and Approvals, based on 10 U. S. C. 2304(c) (FAR 6.302), and still had to be made and approved in accordance with 10 U. S. C. 2304 (F) (FAR 6.303 and 6.304). [Ref. 18:p. 6] Using the SF-44 for buys up to \$100,000 helped the purchasing and contracting specialists because they were familiar with this form and it required the least amount of administrative burden. This freed up personnel to work harder towards procuring more goods and services.

Additional help for the purchasing and contract specialists arrived on the 13th of September. A Marine Expeditionary Unit (MEU) from Okinawa arrived with a 3044 onboard. This SSgt debarked and joined the contracting team. He had both formal contracting and small purchase experience. Although he basically showed up with no equipment at all, he was an added bonus to the overworked team. [Ref. 6]

## **5. Initial Problems**

As can be expected, not all was going smoothly for these purchasing and contract specialists. The problems they experienced with the Saudi Arabian business environment and the 18-20 hour days were minor compared to the contracting office's relationship with the command structure. The 3044s by Table of Organization (T/O) are assigned to the Supply Battalion of the Force Service Support Group (FSSG). As

such, the command had the Marines working directly for the Supply Officer of BSSG-7, which was the senior FSSG command in theater at the time. This command environment put the Marines, especially the senior Marine, a Staff Sergeant, in a precarious position. The Supply Battalion, and in this particular case, the Supply Battalion detachment, is normally the contracting personnels' biggest customer. So you had a customer (and for the first month, the only customer) telling the procurement personnel, how, when, where and what to do. In fact, the purchasing and contracting specialists were expected at times to write up the request, purchase the supplies, pay for the purchase, and sign for the property. [Ref. 6] The command exhibited very little knowledge of the procedures outlined in the regulations and were tasking the Marines to perform actions that were outside the scope of the laws and regulations. At times it was difficult for the purchasing and contracting specialists to make the command understand what procedures should be followed in order to obtain the required supplies and services in a timely and lawful manner. [Ref. 6]

### **C. ARRIVAL OF THE CONTRACTING OFFICERS**

This situation put a lot of unneeded pressure on the 3044s and as the buildup continued so did the pressure. Headquarters Marine Corps was aware of the problems and was working on a solution. Getting an officer in-country was a top priority of the Contracts Division (Code LBO) at Headquarters Marine Corps, specifically the Director of Field Contracting Services. [Ref. 9] At the time of Operation Desert Shield, there no billet existed for a contracting officer at the FSSG. LBO felt it essential to get someone who could deal with the command structure and had an unlimited contracting warrant. The idea was to get some experience and power to help provide efficient and effective service to the forces. [Ref. 9] This could alleviate the bureaucratic burden from the enlisted Marines, so that they could concentrate more on providing support. The question the Director of Field Contracting Services

had to answer was "Who do we send?" After much debate and discussion, LBO put together a team of four individuals that would eventually arrive in Saudi Arabia in mid-September. This team consisted of three contracting officers and a lawyer. The most logical choice of contracting officers to send was the Director of Contracting at Camp Pendleton, from where the majority of the units in country had come. This Major would then be designated as the Director of Contracting for the United States Marine Corps Contracting Office, Jubail, Saudi Arabia. His deputy was picked for his experience. A CWO-4, who at the time was the Director of Contracting at Marine Corps Support Activity, Kansas City, was selected because he was a known leader, with Vietnam combat experience, and vast knowledge and experience in the world of contracting. Because he was a reserve officer on a yearly Full Time Support (FTS) contract, there were some waivers required before he could deploy, but they were obtained without too many problems. The third member of the team was a civilian, GM-13, 1102, who was to function as an advisor to the senior Marine contracting officer and who served as a link to the Contracts Division (Code LBO) at Headquarters Marine Corps. He too was selected for his vast experience (16 years) in contracting. The fourth member on this team was another much needed asset, a lawyer. The problem was finding a qualified lawyer with contracting experience. Very few military lawyers (Judge Advocates) have any training or experience in contracting. There were only a few, at the time, who had any contracting experience at all. At most, there were only a handful. [Ref. 14] The lawyer selected for the team had just completed two years on the job training at Quantico, working in the contract environment. He had also taken the time to do some correspondence work to expand his contracting knowledge. However, most of his work was in reviewing large contracts for major systems. Another plus, though, was that this lawyer also had some international experience which would be helpful in Saudi Arabia. [Ref. 14]

Along with these four individuals were a couple of enlisted Marines to help alleviate some of the burden of those already in country.

### **1. Equipment**

The contracting officers were able to bring some much needed equipment with them. Not only did they bring automation equipment, such as laptop computers and printers, but they also brought along valuable software which would make the task of constructing and tracking contracts much easier. They brought with them spreadsheet programs and data base programs, and most importantly, FAR Master. The spreadsheets and dbase programs were needed to help keep track of the numerous requisitions and contracts as they went through the process. The FAR Master program was great, as it allowed the contracting personnel to create shell contracts for the various commodities. Fifty page formatted contracts were developed which included about 25 to 30 clauses. These shell contracts were approved by the Western Area Council Office prior to leaving the United States. [Ref. 8] Having the ability to quickly print out contracts and make minor adjustments based on the individual circumstances, enabled the contracting team to save a lot of time and effort.

### **2. Initial Tasks**

The new contracting group's initial impressions of the operation when they arrived were that things had been going as well as could be expected. The procurement and contracting specialists had done the best they could possibly have done under the circumstances. [Ref. 8] Although the 3044s may not have had the formal education and training of contracting officers, they were able to ensure the Marine forces were getting the requested supplies and services in a timely manner. Everything was being requested in an urgent manner and the enlisted Marines were overwhelmed at times. The first task was to organize the contracting team in order to get everyone working more efficiently and to ensure all the proper procedures were

being followed. [Ref. 8] Due to a lack of personnel and the urgency of the majority of requests, a lot of contract administration duties were not being properly carried out. With some proper organization this could be corrected. There had been one instance where one of the 3044s could not account for approximately \$100,000 because of poor contract administration procedures. After many worrisome hours of searching through much paperwork the money was finally accounted for. [Ref. 6] These were the type of problems that the newly arrived contracting personnel wanted to alleviate.

One of the first tasks taken on by the new contracting leadership in South West Asia was to get organized and move out of the confines of the Port of Jubail complex. The senior 3044 in country had been working on this issue for some time. It seems that the arrival of the officers was enough of a push to get the command to finally agree. [Ref. 6] Vendors had found it very difficult to contact the Marine personnel inside the compound because of the security restrictions set in place by both the United States Marine Corps and the Saudi Arabian Government. The Marines were able to obtain a facility a few miles north of the port in the Industrial City of Jubail. The building was given to them by the Royal Commission of Jubail. The Royal Commission is similar to a Governor's` office and encompasses the functions of both governing and acting as an entity similar to our Small Business Administration. [Ref. 8] The contracting team began to refer to this building as the "Tin Target", as it was an isolated tin structure and it was fairly well lighted at night. This did give the contracting team a home base in which to work which was readily accessible to any and all Saudi Arabian vendors. The new office location alleviated many of the barriers that were in place before they obtained this facility. This building was also closer to some of the camps occupied by the contractors` customers.

The Marines set up the building as well as possible. One of the things that was done, was to construct a front desk so that all who entered could be serviced in an

efficient manner. The front desk allowed the Marines to get an initial look at any new requirements, in case there were questions. One of the Marines manning the desk would be able to look over the request to ensure that there were no questions or ambiguities. When incomplete or ambiguous requests were not discovered upon receipt, the request would have to be sent back to the customer or the contracting personnel would try to locate them by phone. [Ref. 13] As often as units moved, contacting them was a very difficult task at best. The contracting team also established an area to advertise their requirements. Advertising in the *Commerce Business Daily* was not feasible nor was it a requirement, so the Marines constructed a "Bid Board". Basically this consisted of using one wall of the building and tacking up rows of one inch by three inch boards. They then sectioned the wall off by approximately 30 commodities and posted their solicitations on the wall as the requirements were received. This area was readily accessible to any vendor or supplier. [Ref. 8] The vendors, who now had almost unlimited access to the facility could come in on a daily basis and check the board to see if there were any supplies or services that they could provide. This seemed to work well since the Marines had anywhere between three and ten vendors for an average solicitation. Very rarely was noncompetition a problem. [Refs. 6, 7, 8, 10, 12, and 13] A bid box was also constructed which allowed the contractors to submit their bids in a central location.

One thing the Marines did concern themselves with though was security. Although they dressed in civilian clothes, and often times were running around the country with large quantities of money, their main security concern was within their own building. As was noted previously, this building was pretty much open to anyone who chose to come in. It would have been very easy for a terrorist to do a considerable amount of damage if the opportunity arose. It was good that the terrorist threat was low, as that seemed to quell some fears. The facility had to be relatively



open if the vendors were to have access. One fear though, was that of scud attacks. To combat this threat, the Marines devised and practiced immediate action drills. These drills were practiced from time-to-time in preparation for an actual attack. Bunkers were built out of five foot concrete pipes and sand bags into which the Marines could go during times of scud attacks. [Ref. 13]

Once the contracting team became established in their new facility, their next task was to ensure that potential contractors knew where to find them. The contracting officers were able to set up meetings with the Saudi Arabian Chamber of Commerce and the American Businessman's Association. These meetings were arranged for the beginning of October with the help of the U. S. Consulate office in Dharan. This was an opportunity for the Marines to let the Saudi Arabian businessmen know where the Marines were located, what the general procedures were, and what general goods and services the Marine Corps would be interested in acquiring. [Ref. 8] To help ensure that the Marine Corps was able to select responsible offerors, the Marine contracting office tried to use only those sources which had been pre-qualified by the Saudi Royal Navy Contracting Office at the King Abdulaziz Naval Base in Jubail and the Royal Commission Procurement Office. These two Saudi Arabian entities assisted the Marines greatly in weeding out poor contractors/vendors. The Royal Navy Procurement Office also provided the Marines with a list of specific goods and services that had been procured in the past and their costs. [Ref. 8] The costs were somewhat suspect, at best, but they were the only standards available. By the beginning of October, the costs of most goods and services were higher than normal, due to the laws of supply and demand. The supply for many commodities began to dry up just when the demands were increasing. The Marines could use the costs obtained from the Royal Navy Procurement Office as a gauge in their pursuit to get the lowest possible price that was available at the time of procurement.

### **3. Establishing Relations**

The relationship between the Marine contracting office and the Saudi Arabian business community was very good. Saudi Arabia is a business like society in which the desire for the contractors to perform well was heightened by the fact that Iraq could choose to invade at any time. The contractors realized that the U. S. Forces were there for their benefit and thus, were more than happy to do their part in the defense of their country. The contractors were also happy with the fact that business was very good the first couple of months of Desert Shield. The contracting office found that for the most part the goods and services were of good quality and were delivered in a relatively timely manner. In Bahrain, this was not the case. There the goods and services were only of moderate quality and at times substandard. The same sense of urgency did not exist there. It seemed that deliveries were late on a regular basis. [Ref. 5]

Gift giving is an accepted practice in Saudi Arabia, but it is against U.S. regulations, with the exception of small inexpensive knick-knacks. There was an incident at the conclusion of a contract award with a Saudi Arabian company, where a procurement and contracting specialist received an envelope containing \$10,000 in cash. Knowing that he could not keep the contents of the envelope, the SSgt did the right thing by turning in the envelope to the proper authorities. This created a problem because the money was required to be returned, but the Saudi Arabian businessman would be extremely offended by the return of a gift. He could not understand why anyone would not want to accept his gift, much less that he could not. The situation made relationships very tense, temporarily. [Ref. 6]

Most other aspects of the Saudi Arabian culture did not cause problems. Contrary to what some have reported, most contractors that the Marines encountered spoke fairly good English, at least well enough, that conveying solicitations and bids

and negotiations were not a problem. Once the ground rules were established concerning contracting procedures to be used, both sides appreciated the customs and requirements of each other's cultures. [Ref. 6] This helped the process go more smoothly. For example: the Marines learned to work around the daily prayer times, and the contractors learned to appreciate the contracting procedures that the Marine Corps imposed on them.

#### **D. PROBLEMS ENCOUNTERED**

##### **1. Vehicles**

The one area in which there were some problems was in the area of vehicles. The problems occurred due to the actions of both the contractors and the Marine Corps. The Jubail contracting office contracted for over 1300 vehicles, some of which were intended for the duration of the conflict. This fleet of vehicles became known as "Saudi Motors". [Ref. 11] Many line haul vehicles were required, and the Marines were in need of any vehicle they could get their hands on. Every type of variant was contracted for, in order to haul equipment to the front lines. One of the problems encountered was that the quality of vehicles ranged from very good to extremely poor. Because almost every vehicle in-country was being utilized in one way or another to support the war effort, there were many vehicles contracted for that could barely make it to the required location, much less for a long haul. The Marine Corps compounded this problem by poor acceptance procedures. Only spot checks were done on vehicles, as in-depth limited technical inspections (LTIs) did not appear to be common practice. At times, vehicles actually had to be fixed before they could perform as required. [Ref. 11]

Not having good acceptance procedures also came back to haunt the Marine Corps later on. Contractors claimed that they provided outstanding vehicles to the Marine Corps and expected the same in return. Many times it was unknown exactly

what condition a contractor's vehicle was in when received, and therefore the Marine Corps was required to fix some vehicles or provide compensation before returning them. Accountability was also hampered because the vehicles were not marked or registered as they are in the United States. The poor acceptance procedures and the lack of markings/registration made the tracking of the vehicles very difficult. When it came time for contract closeout, hundreds of vehicles were unaccounted for. [Ref. 11] Many were just left in place and others were just unidentifiable. Creating more problems was the fact that the contract office was trying to manage one commodity through multiple contractors, six or seven at a time. Without the benefit of proper contract administration, this was a very difficult task. [Ref. 11]

Most of the vehicles with drivers that the Marine Corps contracted for were driven by Third World nationals. These individuals were sometimes given extra money, a bonus, to ensure that they would return back to the Marine Corps at the conclusion of their mission. There were instances where units would misappropriate the driver and his vehicle to do some work. This practice would keep that driver from accomplishing the planned mission. It was prudent to motivate the drivers to return to their home base to insure that the Marine Corps could continue, without interruption, with its extensive use of transport vehicles to move supplies and equipment throughout the area of operations. [Ref. 8]

## **2. Requirements and Requisitions**

During the initial buildup, requirements were passed on to the contracting personnel by the BSSG. As noted earlier, some requests were verbal, and the 3044s would have to write up the requisition as well. Very little was done in the way of consolidating requests at any level. It was not uncommon for the contracting personnel to receive three requests for the same commodity during the same day. The procurement and contracting specialists tried to consolidate requirements whenever

possible. [Ref. 6] Once the MEF got established, the requirements consolidation problems were lessened to some extent. All requirements were then at least routed through major commands before being sent to the FSSG and then to the MEF G-4, the staff officer responsible for logistics. With this system in place, the number of customers was minimized and some consolidation of requirements was able to take place. [Ref. 13]

There were two other problems facing the contracting office concerning the requisitions. The first had to do with the quality of the requests received. Many requests were delivered to the contracting office incomplete or incomprehensible. There were requests that contained specifications that were so vague that the contracting personnel had trouble trying to decipher exactly what it was that the customer wanted. The contracting office did a few things to try to remedy this problem. First, they would check the requisitions immediately when they came in the door. A Marine at the counter would check the request for correctness and completeness, and if any questions arose they could be answered on the spot or returned to the customer to take back to their unit for clarification. The customer was not always the one who brought in the request though, so something else had to be done. The contracting office began to use technical experts, from the SeaBees, Engineers, etc., to conduct specification reviews. These experts, for the most part, were able to determine what exact supplies or services were required. [Ref. 8] The contracting office also made attempts to call units for any clarifications. This worked with those units which were relatively stationary, but many of the units were constantly on the move and thus, it was next to impossible to locate them. Some requests went unfilled because of poor specifications on requisitions submitted by units that could not be located. The contracting personnel also took the time to try to educate the customer on the proper procedures for filling in a DD Form 1149,

Requisition and Invoice/Shipping Document. Emphasis was placed on ensuring the units provided enough information. This training paid benefits by assisting in the timely procurement of supplies and services. [Ref. 5]

Another problem faced by the contracting personnel was that just about everything requested by the customers was requested as high priority. Everybody wanted their goods and services as soon as possible. The contracting office had to try to decide where to place their efforts. Some prioritization could be made by looking at what commodities the various users wanted and what stage of the conflict the Marines were in. Common sense was the rule here. [Ref. 8] This worked well for the day-to-day activities and the contracting office probably prioritized 98-99% of all requests. The other 1-2% was easy, the MEF G-4 office, (the G-4, the G-4a, the MEF Supply Officer, and the Comptroller), would always let the contracting office know what items were especially urgent or important. They would call over with a "hot list" of items that were to take priority over other buys. This list of "golden bullets" or "war stoppers" gave the contracting office some guidance and direction on where they should concentrate their main efforts. [Ref. 13]

The Saudi Arabians were very resourceful businessmen. A majority of the contractors with whom the Marine Corps did business were general traders, or middlemen. These individuals had the connections to acquire all types of goods and services. The general traders would make bids on what they thought they could get a commodity for and then go out and get it if they got the bid. What you would find is two or three middlemen bidding on a contract and intending to use some of the same suppliers. The provider of these goods would normally try to get the best price that he could, so there were times when the general trader would fall through on his contract because his provider had given the goods to someone else for a better deal. This did not happen very often, however. [Ref. 11]

### **3. United States Buys**

The majority of the requirements were filled by goods and services provided by the Saudi Arabians. There were times though when the contracting personnel had to attempt to procure items from the United States or Europe. This would occur when the requirements could not be met by the Saudi Arabians or when the contracting office felt that they were not getting a fair and reasonable price. [Ref. 8] The number of occurrences increased as the ground war drew closer. Most of the time, the contracting personnel would just call back to their parent units to give them a heads up and to discuss the feasibility of filling the request. They would then FAX the required documentation back and forth in order to get the procurement accomplished. At times when it was known that only one specific company could provide the required goods, the Jubail contracting personnel went straight to that company by FAX. [Ref. 7] This seemed to work rather well. There was one case where the Marine Corps was in dire need of cargo straps which could not be supplied by the Saudi Arabians. A Marine just happened to mention that his wife worked at the company that made them. The contracting personnel had the Marine call his wife at work and persuade her to put the president of the company on the line. Once this was done, the contracting officer told the president of his predicament and what was required. He then gave the president instructions on who to ship the straps to and agreed to the terms and conditions of the procurement. [Ref. 8] Although unorthodoxed, this specific procurement demonstrated the commitment of the contracting personnel to go to great lengths to procure the required goods and services.

### **E. THE NOVATION**

As the buildup continued to grow, so did the cost to the United States. To help alleviate some of the financial burden to the United States an agreement was reached

with Saudi Arabia on 1 November 1990 which basically stated that the Kingdom of Saudi Arabia would provide, at no cost, certain commodities in support of the United States Forces. Although the agreement became effective on 1 November 1990, it stated that it applied to all items used by the United States Forces from the time of initial deployment. The commodities covered included fuel, transportation, food, water, and facilities/accommodations. All future requirements for these commodities were to be submitted to the Joint Forces Support Unit, Ministry of Defense and Aviation (MODA) of the Kingdom of Saudi Arabia. They would then decide whether or not the items requested were covered by the host nation agreement. If MODA decided that the items were covered, then the Marine Corps could let a solicitation and award the contract. The bill would then be sent to MODA to be paid. If the request was disapproved, then the Marines would either have to do without or more than likely pay for it themselves. [Ref. 6]

Existing contracts created a different problem. There were two steps for dealing with these. The end result would be that the Kingdom of Saudi Arabia would issue replacement contracts or ordering agreements. In the meantime, the existing documents were to be novated. The FAR defines a novation agreement as

...a legal instrument executed by (a) the contractor (transferor), (b) the successor in interest (transferee), and (c) the Government by which among other things, the transferor guarantees performance of the contract, the transferee assumes all obligations under the contract, and the Government recognizes the transfer of the contract and related assets.

In these cases, the Marine Corps would be assigning existing contracts and ordering agreements to the Kingdom of Saudi Arabia. This entailed all three parties, the United States Marine Corps, the Kingdom of Saudi Arabia, and the contractor,



signing a document that substituted the Kingdom of Saudi Arabia for the Government of the United States. These documents were printed in English on one side and Arabic on the other. Instead of changing contractors this "reverse" novation only changed who would be responsible for paying the contractor.

As expected, nothing as complicated as this "reverse" novation can be done smoothly and efficiently. The novation process took longer than anyone anticipated. The Marine Corps was still in the process of novating contracts during the week of 10-17 December 1990. That week alone the Marines novated approximately \$56,000,000 in contracts and ordering agreements to the Kingdom of Saudi Arabia at the MODA office in Riyadh. About 80% of all Marine contracts ended up being paid by the Saudi Arabians. [Ref. 8]

These new procedures also delayed the contracting process and the ability to get goods and services to the customers in a timely manner. The procuring of food and fuel went rather smoothly, but others did not. Sending the requests to Riyadh was like sending them to a black hole in space. The Joint Forces Support Unit was basically overcome by the amount of requests and the enormous amount of money involved. They had approximately 20 personnel assigned to do the work that had been done by hundreds of U. S. forces contracting personnel. If there was something that a customer desperately needed, the only solution was for the Marine Corps to go out and contract and pay for a requirement themselves, and then try to recoup the money at a later date. [Ref. 8]

The Saudi Arabian contractors were not pleased with this new agreement. They knew this would ultimately lead to less money for them. There were two reasons for this. One reason was that now the contractors would have to provide about a 5% kickback to the local official/Prince in order to continue to be paid for goods and services they provided. They also knew that MODA would scrutinize all

current contracts, and then pay only what they believed to be fair and reasonable prices. There were many times where MODA stated that the United States was being overcharged, and that they would not pay the full amount of the contract. The Saudi Arabian contractors became leery of entering into any contract that was to be paid for by MODA. [Refs. 6, 8, and 13]

#### **F. INCREASING THE SMALL PURCHASE THRESHOLD**

A second modification of U. S. regulations occurred during the first week of December. Message 071500z DEC 90 to COMUSMARCENT//G-4/CONTRACTING stated that the small purchase limit for Operation Desert Shield was increased to \$100,000. The Office of the Assistant Secretary of Defense for Procurement had authorized this increase in a memorandum dated 9 November 1990. This authorization applied to all purchases outside the United States in support of Operation Desert Shield. A portion of the memo stated;

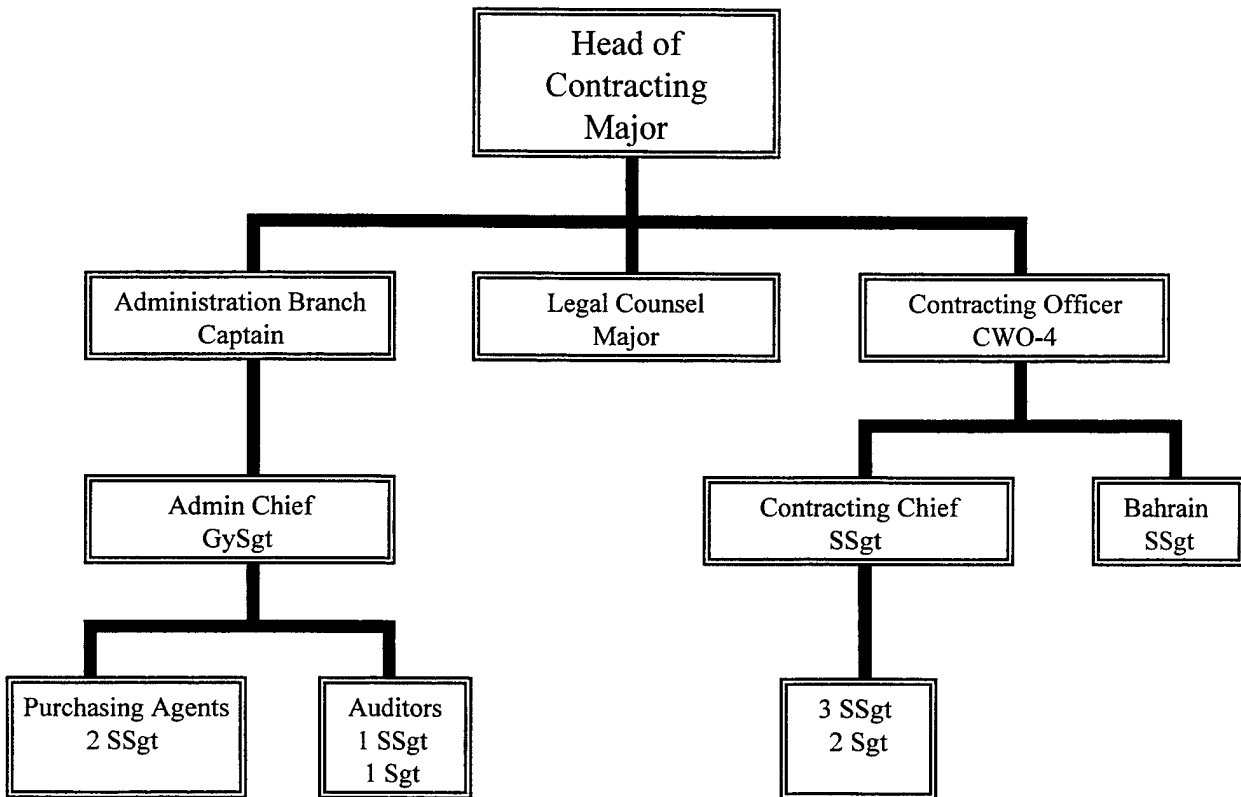
Section 1121, Procurement Flexibility for Small Purchases, of the National Defense Authorization Act (PUB.L. NO. 101-510), Increased the threshold set forth in 10 U.S.C. 2304(G)(2) for use of simplified procurement procedures established pursuant to 10 U.S.C. 2304(G)(1), from \$25,000 to \$100,000 for any contract to be awarded and performed or purchase to be made, outside the United States in support of Operation Desert Shield during fiscal year 1991. You are hereby granted authority to use the small purchase procedures covered in Part 13 of the FAR and Part 213 of the Defense FAR Supplement, not to exceed \$100,000, except Imprest Funds, for any contract to be awarded and performed, or purchase to be made, in areas outside the United States in support of Operation Desert Shield during fiscal year 1991.

This modification helped the contracting office to some extent. The biggest advantage of this action was that the procurement and contract specialists were much more experienced with the small purchase methods of procurement than with formal contracts. This increase in the small purchase threshold meant that approximately

99% of all procurements could now be accomplished using the small purchase procedures outlined in the FAR. This not only reduced the paperwork requirements of the contracting office, but also increased the confidence of the purchasing and contracting specialists because they felt more familiar with the small purchase procedures. The decrease in paperwork allowed more time to properly perform other contract administration functions as well.

#### **G. REINFORCEMENTS FROM CAMP LEJEUNE**

From the middle of September through the month of November the composition of the contracting office remained relatively stable. There were ten contracting personnel and three to five support personnel. The requirements continued to flow at a rapid pace so a request was made for more contracting personnel. 1st Marine Expeditionary Force (I MEF) Headquarters requested a contracting officer and seven purchasing and contracting specialists to arrive in-theater no later than 1 December 1990. These personnel did not arrive in-theater until the period of 2-10 January 1991 as part of the Marine units arriving from Camp Lejeune, N.C. [Refs. 7 and 8] This group of contracting personnel included a Captain, a Gunnery Sergeant, and five or six other Marines. Upon their arrival the contracting office was then organized as follows:



This increase in personnel was beneficial in at least two respects. One benefit was that the additional personnel would permit the contracting office to better administer all existing purchasing and contracting actions. Up to this point, contract administration was being accomplished only when time was available. The second benefit was that the contracting office would need the additional personnel in preparation for the ground war. As the ground war got closer, being able to procure high priority items as fast as possible became extremely important.

## H. SCUD ATTACKS

As soon as the first scud attack occurred, more problems began. Many of the drivers and laborers were Third World Nationals that felt no real obligation to stay around and get shot at and possibly lose their lives. Many just vanished. At times Marines had to actually take over the driving and maintaining of the leased vehicles

and equipment. There were plenty of reservists who had experience in these occupations which paid great dividends. [Ref. 11] Many of the big general traders also left the area which made it very difficult to locate and procure many of the requested goods and services. Something had to be done to fix this deficiency, so a liaison team was sent out to the surrounding areas to attempt to find other sources. Dubai, in the United Arab Emirates turned out to be a fairly good area in which to procure the required supplies and services. A contracting officer and a group of procurement and contracting specialists were sent there to establish a satellite contracting office. This office stayed operational for the duration of the war and shut down a few days after the war ended. [Ref. 11]

## **I. THE AFTERMATH**

The end of the war did not end the work of the contracting office. The pace had been very hectic during the buildup. Many contracts were let in preparation for a war that many expected would last much longer than four days. Now that the ground war was over, many of the current contracts would have to be terminated for convenience. Many of the supplies and services that were contracted for in support of the ground war were no longer required. Some of the contractors did not see it that way though. They felt that they should still be paid the full amount of the contract regardless of whether or not they fulfilled their end of the contract. The contractors and vendors said that it was not their fault the supplies and services were no longer needed. [Ref. 11]

The termination for convenience actions were not the only duties of the contracting office after the end of the war. Contract actions were still required to sustain the force, provide for the treatment of prisoners of war, and to support the redeployment of Marines and equipment back to the United States. Once the situation quieted down, the contracting office also took on the major tasks of catching up on

their contract administration duties and contract closeout. Because of the lack of personnel and the enormous workload during the first two months of Operation Desert Shield, contract administration had been accomplished only when time permitted. A 100% inspection of all files was conducted to ensure not only that the files contained all the proper forms, but also to ensure that all contracts were properly closed out. This 100% inspection took approximately two months. [Ref. 11]

The problems encountered during the contract closeout procedures were directly related to the poor contract administration procedures. Many of the earliest established contracts were poorly written and incomplete. These files required extensive research and some additional paperwork before they could be properly closed out. Compounding this problem was the fact that the first procurement and contracting specialists to deploy to Saudi Arabia were the first to go home. Most of the individuals who were in country from August to December had headed home by the time the majority of the contract closeout actions had begun. Many contracts contained insufficient information or were missing documentation and with the Marines who worked the contracts gone, any information that might fill the void was hard to come by. Many times documentation provided by the contractor was used to verify the contract information so that the contracts could be legally closed. [Ref. 7]

The contracting personnel who arrived in January from Camp Lejeune left Saudi Arabia at the beginning of June. Prior to leaving, the Marines had managed to successfully close out all but approximately 15-16 contracts. They came very close to reaching their goal of 100% closeout. [Ref. 11] These personnel were replaced by a contracting team that would provide contracting services and support for the reconstitution of the Maritime Prepositioned Squadrons and would close out what few active contracts were left behind by the Camp Lejeune Marines.



## **IV. ANALYSIS**

This chapter contains a discussion and analysis of the responses obtained during personal interviews and from the responses to the questionnaires. The analysis will cover the different subject matters contained in the baseline list of questions found in Chapter II.

### **A. TRAINING AND EDUCATION**

Entering Desert Shield, many of the purchasing and contracting specialists stated that they felt they were unprepared for what they were tasked to do. The junior noncommissioned officers (NCOs) had not had the required level I formal schooling specified by the Defense Acquisition Workforce Improvement Act (DAWIA). Because of this lack of training, they felt uncomfortable working on formal contracts for the first few months. Many times, these junior NCOs lacked substantial real world experience. Most had only had experience with small purchase procedures in a base contracting environment. For some, it was their first operation of any type. [Ref. 6]

On the other hand, the majority of the senior staff noncommissioned officers (SNCOs) believed that they were very well prepared for the duties they were assigned in Southwest Asia. The senior SNCOs had been through the majority of level I and level II DAWIA training and had many years experience under their belts. Two of the SNCOs stated that they had eight to ten years of deployed contracting experience, which was beneficial in initially establishing a contracting capability in August. [Refs. 5 and 6]

The officers were also well-trained and educated. The officers had either attended the Naval Postgraduate School contracting curriculum or had been in the contracting field for a long time as a Warrant Officer. [Refs. 8, 9, 12, and 14] As a group, these officers were very well-prepared for their duties.



Generally, the more senior the personnel were the more prepared they tended to be. The most junior Marines had not had the opportunity to receive the required schooling, nor had they been in the Military Occupational Specialty (MOS) long enough to have had any quality experience to fall back on. Because of this, the senior SNCOs had to spend a lot more time than usual supervising and directing the duties of the NCOs.

## **B. EQUIPMENT**

The early arrivals to Saudi Arabia noted that they came with virtually no equipment and no supplies. The first few 3044s in country had only a few pads of forms with which to operate. [Ref. 6] One respondent stated that even some of the later arrivals brought only forms and antiquated office supplies. Automated equipment, such as computers, printers, and copiers, were visibly lacking from existing packing lists. The majority of the technical office equipment that would eventually be required by the contracting office would be acquired by the contracting personnel from the Saudi Arabia vendors. The software programs and the capability residing in them that was brought by the contracting officers was heavily used and those that used these software programs, stated that they were much needed. [Ref. 2:p 4] The use of the programs greatly increased the efficiency of the contracting office. The office did have to purchase numerous laptop computers, printers, copiers, etc., that should have been brought with them. If this had been done, the contracting process would have been much smoother in the beginning.

## **C. WORKLOAD**

All participants in this study believed the workload was very heavy, but agreed that it got better over time for two reasons. One was the increase in personnel. As more contracting personnel entered the theater of operations, the workload seemed to diminish. What began as twenty hour days were eventually cut back to approximately

fourteen hour days by the end of the war. A second reason given for the decreased workload was that efficiency increased with familiarity and practice. The learning curve was initially very high for the junior NCOs and thus, as time went by they got much more proficient.

It was also noted that the workload depended on the stage of operations that the Marines were in. As the ground war drew closer, the workload increased to meet the mounting requirements and the growing urgency. [Ref. 8]

#### **D. VENDORS**

Locating sources was easy at times and very difficult at others. The first few Marines in-country stated they had problems because of the location of their office inside the port facilities. They said much of their time was spent going door-to-door, or using the telephone trying solicit vendors. [Ref. 6] This was a very inefficient use of time. Once the contracting office moved away from the security restrictions of the port, vendors were just about beating down the door to the contracting office. It was common to have at least three to five vendors for every commodity. [Ref. 6]

This abundance of vendors did not last forever though. The build up and the length of Desert Shield and the oncoming ground war did have a negative impact on the number of suppliers available. The contracting office had to make a decision to go elsewhere to locate supplies. The contracting office had the foresight to obtain the required supplies from some of the surrounding countries. [Ref. 11]

All those interviewed or questioned stated that the relationship between the Saudi Arabian businessmen and the Marine Corps contracting office was very good. It was stated by most that once the cultural differences were understood, both parties did their best to respect the other's culture, or at least as much as possible. [Refs. 6, 8, and 11] The arm's length relationship was adhered to for the most part, although a couple respondents stated that some of the relationships were probably a little closer

than what you would find in the United States. This was due to the Saudi Arabian culture and the fact that most Saudi Arabian businessmen were grateful that the U.S. Forces were present.

It was also reported that, for the most part, the goods and services provided met high standards and were delivered in a timely manner. This was the case across the board except in Bahrain where the goods and services were not as good. [Ref. 5] Also, vehicles were pointed out to be a real problem. This was the only commodity that was troublesome on a regular basis. [Ref. 11] One of the reasons sighted for the overall good performance was the fact that the payment process worked well. As long as the Saudi Arabian businessman was getting paid in a timely manner, he would gladly meet the terms of his contract or at least to the best of his abilities. The other reason for the good performance probably had to do with the fact that Saudi Arabia was in possible danger and thus, the Saudi Arabians would do whatever they could to help out.

Only a few respondents reported having to make numerous buys outside the theater of operations. The reasons given for these buys were that the goods were unavailable or the local asking price was not fair and reasonable. Respondents reported that the majority of these buys were routed through either the Camp Pendleton contracting office or the Camp Lejeune contracting office. [Refs. 6, 8, 11, and 13] The links with their parent commands were vital in obtaining these goods. On a few occasions the contracting personnel in Saudi Arabia went straight to the specific company. This was done in urgent cases when the requirement was extremely well-defined. These buys were vital to the mission of the Marines, and the contracting office found the quickest ways to legally obtain the required goods.

## **E. ORGANIZATION**

The personnel contacted for this study voiced no complaints about the internal organization and structure of the contracting office. Clear lines of authority were established, and duties were delegated down to the appropriate levels. [Ref. 2] The organization and structure allowed for the efficient operation of the contracting office.

Problems were noted with how the contacting personnel fit into the overall organization of the forces and who they reported to. The enlisted Marines who arrived in theater in August were members of the Supply Battalion of the First FSSG. [Ref. 6] As such, they were working directly for their biggest customer, which could be perceived as a conflict of interest. Even as the contracting office grew with the growth of the rest of the forces, this conflict did not diminish. The mission of the contracting office was to support the MEF, but the FSSG was still the direct headquarters. The MEF G-4 section was the one making the decisions about what to buy and what the highest priorities were. Complicating this arrangement is the fact that contracting officers receive their contracting authority from LBO at I&L, HQMC. This required that the contracting office periodically report the current situation back to LBO. [Refs. 8 and 14] This triangle created some friction and detracted from the mission of the contracting office.

The legal officer was placed in a similar dilemma. As the Procurement Legal Officer, he was responsible for performing legal reviews of the contracting actions and for providing legal advice on contract matters when consulted. He did this basically as a legal advisor to the command, but the lawyer is supposed to report directly to the Office of General Counsel for the Commandant. [Ref. 14] This situation may also have detracted from the contracting mission.

## **F. REQUISITIONS**

Many of the personnel contacted voiced various problems with customer requisitions and the requisition process in general. Comments were made concerning accuracy, completeness, consolidation, and prioritizing. [Refs. 6, 7, 8, 11 , and 13] Some requisitions were not filled out correctly or information was missing that would preclude the contracting office from making a timely award or purchase. Too often, these requisitions were returned to the customer delaying the procurement that much longer. Although attempts were made, it was stated that the contracting office, more often than not, was the one doing the consolidation of requests, especially early on in the build up. Prioritizing was also done by the contracting office. The MEF G-4 section prioritized the "war stoppers", but for the day-to-day buys it was up to the contracting office to determine where to place their main effort. [Ref. 8, 11, and 13] This complicated the work of the contracting office and detracted from their efficiency.

## **G. CONTRACT ADMINISTRATION**

Very little contract administration was performed especially during the early stages of the conflict. Emphasis was placed more on locating and soliciting sources than on ensuring that the goods were delivered, the services were performed, and the contractor was paid. Once the contracting office reached an agreement with a contractor to deliver goods or services, they would move on to the next requirement. During the first few months the contracting office did not have the personnel to do much more than that. As long as no complaints were coming into the office, they did not seem to concern themselves with contract administration.

## **H. NOVATION**

The novation, or "reverse novation", was good because it put the burden for paying for much of the supplies and services on the Saudi Arabian Government.

Based on the novation agreement, approximately 75% of all Marine Corps contracted goods and services were paid for by the Saudi Arabian Government. [Ref. 8] This was a very positive aspect of the novation, but there were negative aspects as well. The process that new contracts had to go through was very time consuming. To go through the approval process at the Joint Forces Support Unit, Ministry of Defense and Aviation of the Kingdom of Saudi Arabia delayed the procuring process by days. The MODA office was more understaffed than the Marine Corps contracting office which was part of the reason for the long delays. Another reason was that if MODA did not like the agreement reached between the Marines and the vendor or supplier, then they would kick it back. This added more time. [Ref. 8] In the long run, the Marines generally received their required goods and services, but they no longer got them in a timely manner.

The fact that Saudi Arabian businessmen did not like the novation was mentioned by most respondents as well. The vendors and suppliers now wanted to know who was going to be paying the contract before entering into an agreement. When MODA was paying, they knew they were not going to get as much as they would have liked or would have received had the U.S. been paying. Not only was MODA saying that the vendors and suppliers were charging too much, but the Saudi Arabian businessmen also were required to provide kickbacks to the local prince. As can be seen, the novation had both good points and bad points. The bottom line is that although the Marines did not always get the required goods and services when they wanted them, they did get them in time to help win the war.

## **I. REGULATORY RELIEF**

The FAR provides the Federal Government with a set of uniform policies and procedures to guide the contracting and acquisition process. This comprehensive set of policies and procedures was basically designed for peacetime operations, but there

are some sections containing regulations that are applicable during contingency operations. These normally exist in the form of waivers and deviations that are granted at the same level or one level above the contracting officer. Most of these are more common sense type deviations than anything else. For example: a synopsis in the *Commerce Business Daily* was not required, nor was the Buy America Act applicable.

The FAR does spell out where relief from most regulations may come from. FAR Part 50, Extraordinary Contractual Actions, states in part:

...prescribes policies and procedures for entering into, amending, or modifying contracts in order to facilitate the national defense under extraordinary emergency authority granted by.... The Defense Resources Act [50 U.S.C. 1431-1435; PL 85-804 as amended by PL 93-155]

This act grants the President the power to authorize agencies to enter into, amend, and/or modify contracts without regard to other provisions of law related to making, performing, amending, or modifying contracts whenever the President considers that such action would facilitate the national defense. [Ref. 16:Part 50.101(a)] This authority was not granted during Desert Shield and Desert Storm.

The biggest problem noted by the personnel contacted for this study was that the regulations in place at the beginning of the Gulf War were too stringent in the area of small purchase procedures. [Refs. 5, 6, 8, 12, and 13] The small purchase threshold was \$25,000 in August 1990. This threshold was increased to \$100,000 on 7 December 1990. The limit was officially approved to be increased by the National Defense Authorization Act of 1991 which was signed on 5 November 1990. So for the first four months, small purchase procedures could only be used for those buys

under \$25,000. This severely hampered the operations of the purchasing and contracting specialists. This threshold has been permanently raised to \$200,000 by the Federal Acquisition Streamlining Act of 1994. The threshold automatically goes to \$200,000 in any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation. The only stipulation is that the operation must be designated a contingency operation by the Secretary of Defense. This measure will greatly assist Marine contracting personnel in future contingency situations.

## **J. SUMMARY**

This chapter has provided the researcher's analysis of the information obtained from personal interviews, questionnaires, and from the contracting records from Desert Shield and Desert Storm. The purpose of the analysis was to determine what aspects of contracting during operations Desert Shield and Desert Storm went well and which aspects did not. There were obvious deficiencies in the training and education of some members of the contracting team as well as deficiencies in the type of equipment that was initially deployed in support of the contracting effort. Once a well-staffed and equipped contracting office was in place operations went much smoother. Most problems encountered were either overcome by the contracting personnel or were outside their sphere of influence. The researcher's conclusions address the major areas of concern.





## **V. CONCLUSIONS AND RECOMMENDATIONS**

### **A. CONCLUSIONS**

The objective of this study was to document United States Marine Corps contracting activities during Desert Shield and Desert Storm. This study was conducted to evaluate those actions and to determine what improvements the Marine Corps can make. This section presents the conclusions of this study.

#### **1. Preparation Prior to Desert Shield**

The United States Marine Corps contracting community, as a group, was unprepared for a contingency the size of Operations Desert Shield and Desert Storm. The deployed contracting section in the Force Service Support Groups (FSSG) was staffed purely with enlisted Marine purchasing and contracting specialists. Most of the personnel had only limited contracting authority. Not all of these Marines had been formally educated or trained in their military occupational specialty, 3044. There was no forethought as to the manning of the deployed contracting section. No plan existed at any level for the conduct of contracting operations during large scale contingencies. Neither the FSSG, the Marine Expeditionary Force, nor Field Contracting Support Branch, Contracts Division, Headquarters Marine Corps (LBO) had developed prior plans for staffing and organizing a large field contracting activity.

A second indication of unpreparedness was the fact that all the equipment in use by the deployed contracting section was antiquated. Contingency contracting kits consisted mainly of the appropriate forms used in contracting and basic office supplies. No computers existed in these kits, let alone any software to help facilitate contracting actions.

## **2. Inadequate Acquisition Planning**

Many of the requirements were spur of the moment buys. It appears that very little planning was done to identify requirements beforehand to the contracting personnel. This lack of planning was due in part because there was not a contracting person present during the early planning stages of Desert Shield. If contracting personnel are included early in the planning process, a contingency contracting buying plan can be developed and possible sources of funding can be identified. The requirement generators also had difficulty planning what their needs were. This was evident by the fact that numerous large buys of the same supply, for example; sandbags, were made within days of one another. If the proper forecast of the number of sandbags would have been made, the contracting personnel could have procured them for a better price and probably much quicker.

## **3. Relief from Current Regulations**

Except for the small purchase threshold, the laws and regulations in place during Operations Desert Shield and Desert Storm did not generally hinder the efforts of the contracting personnel. The waivers and deviations provided for in the FAR were beneficial and helped increase the efficiency of the contracting office. For the majority of respondents, the small purchase limitation was the only hindrance to their effective operations early on.

## **4. Relationship Between United States Marine Corps Contracting Personnel and Saudi Arabian Businessman**

The working relationship between United States Marine Corps contracting personnel and Saudi Arabian businessman was extremely healthy and presented very little problems to the contracting process. Language was seldom a problem that needed to be overcome. The cultural differences were quickly overcome as workarounds were devised. Once each party realized what the other side required,

transactions went relatively smoothly. The Marines were very sensitive to the customs, courtesies and traditions of the Saudi Arabians and they responded in kind.

## **5. Contracting Procedures**

The contracting procedures were adversely affected by the heavy workload required of the understaffed contracting office. Proper contract administration was seldom performed throughout the first few months of Operation Desert Shield. Also evident was the lack of adherence to established thresholds and the lack of proper legal review of some contracts. The urgency of the situation and the lack of a sufficient number of trained personnel were major contributors to this problem. These poor procedures during the early stages of the conflict created many problems during the contract closeout procedures.

## **B. RECOMMENDATIONS**

### **1. Organization and Structure**

For the United States Marine Corps to be prepared in the future, the current structure and organization of its contracting units must be changed. These changes include a change in contracting office responsibilities and scope of work, a change in the rank structure that currently exists, the movement of some billets, and the use of reserve forces.

The Marine Corps has recently gone to a Regional Contracting concept, but they need to carry it one step further. The Regional Contracting Offices (RCO) at Camp Butler, Camp Pendleton and Camp Lejeune should have responsibility for the contracting requirements for both base units and operational units. The RCOs should be responsible for their respective bases, any satellite bases, and the respective Marine Expeditionary Force (MEF) at each location. The Director of Contracting (DOC) of the RCO should be assigned as a special staff officer to the Commanding General of the MEF and be responsible for all exercise and contingency contracting for the MEF

and its subordinate units. The Director of Contracting would be responsible for the advanced planning for all MEF exercises and contingencies, as well as the staffing and deploying of contract cells for those missions.

In order to properly staff contracting cells for all appropriate exercises and any contingencies that arise, the RCO should also include those billets currently listed on the table of organization for the supply company of the FSSGs. The billets for this officer and seven enlisted Marines should be moved to the RCO. This would double the effective military staffing of the RCO in order to meet the increase in requirements. This recommendation not only helps solve the problem of staffing contingency contracting cells, but also provides added support to the RCO when there is no ongoing exercises or contingencies.

With this increase in responsibility, there should also be an increase in rank for the billet of Director of Contracting of the RCO. Currently the table of organization lists the billet as a major's billet. Because of the wide range of responsibilities and because the DOC will be interacting daily with LtCols and above, as well as GS-15 and SES personnel, the billet should be staffed with a 9656, LtCol. This should give the DOC some of the clout needed to function effectively. The leadership structure of the RCO should consist of the following billets:

Director of Contracting	Lieutenant Colonel
Deputy DOC	GS-13/15
Deployed Contracting Officer	Captain/Major
RCO NCOIC	Master Sergeant
Deployed Contracting NCOIC	Gunnery Sergeant

There currently exists a 9656 contracting officer billet at both I MEF and II MEF. The previous recommendations places the DOC of the RCO as the special staff officer to the Commanding General of the MEF. Implementation of that recommendation would free up these two MEF billets to be used elsewhere. These billets should be used to fill the contracting representation void at the Commander Marine Forces (COMMARFOR) levels. There currently are no contracting billets at either COMMARFORPAC or COMMARFORLANT. These individuals should be used to plan and coordinate contingency contracting requirements with the other Services at the Commander-in-Chief (CINC) level. Having input into the long range planning accomplished at the CINC level will allow the Marine Corps to be more prepared for future contingencies and will assure our interests are seen to in a joint environment.

The last structure and organization recommendation is that the Marine Corps needs to plan for the reinforcing of deployed contracting offices. Any large contingency the size of Operations Desert Shield and Desert Storm may require more contracting personnel than the RCO is able to provide. One solution would be to augment the deployed contracting office with personnel from the other two RCOs. A second viable solution would be to use members of the Marine Forces Reserve (MARFORRES). The Marine Corps Reserves currently have billets for one contracting officer and seven enlisted purchasing and contracting specialists. These billets should be staffed, if possible, with personnel who perform purchasing or contracting duties in their civilian occupations, so that they may be used to augment deployed contracting offices. Periodically, these personnel should train with their active counterparts during major training exercises throughout the world.

## **2. Equipment**

Based on the experiences of Operations Desert Shield and Desert Storm, the United States Marine Corps needed to update the contents of its contingency contracting kits. These kits have been upgraded to include laptop computers, printers, copiers and fax machines. The three deployed contracting sections throughout the Marine Corps have gone out and purchased the required equipment. The problem is that each section procured these items on their own and thus, there are compatibility problems. If the units are to ever work together, decisions would have to be made as to what type of software would be used and what hardware system architect would be used to ensure interoperability.

For this to happen, direction must come from the Field Contracting Support Branch, Contracts Division, Headquarters Marine Corps (LBO). LBO would have to dictate to the three active RCOs (or the deployed contracting sections of the FSSGs if total regionalization is not adopted) and to MARFORRES contracting section what the standard hardware configuration should be and what software would be used for exercises and contingency contracting operations. The hardware does not pose much of a problem, but the software does. Currently all three deployed contracting sections use various types of programs. A standard software configuration is a must in order to be able to interoperate within the Marine Corps and also with the other Services.

## **3. Legal Officer**

The Marine Corps must identify military staff judge advocates who are available to deploy as procurement legal officers during contingency operations. Currently, the Office of General Counsel for the Commandant will designate qualified individuals to deploy when required. This meets the Marine Corps' short term needs, but long term needs require that individual staff judge advocates be pre-designated and receive contract law training and education. The Office of General Counsel must

develop a larger pool of qualified individuals than currently exists in order to ensure qualified legal procurement officers are available for contingency operations.

#### **4. Training and Education**

The Marine Corps must ensure that the appropriate personnel are trained and educated, particularly in the area of contingency contracting regulations and procedures. The first area that requires attention is the training and education of the enlisted purchasing and contracting specialists. Because these individuals are put in an on the job training (OJT) status upon being selected for the 3044 military occupational specialty, it is extremely important that they receive the required entry level Defense Acquisition Workforce Improvement Act (DAWIA) purchasing courses and appropriate training before being placed in a deployed status. Supervisory personnel also must ensure that all Marines receive the required Level I and Level II DAWIA contracting courses as specified in the Marine Corps MOS Manual. Lastly, units should be using MCO 1510.73A, which lists the individual training standards (ITS) for the purchasing and contracting specialists, in order to ensure the Marines are capable of performing their various duties. By using the ITSs it is also possible to determine what areas require increased training as well.

A second educational need is that both the officers and enlisted Marines need to be educated in contingency contracting. Most of this has to be self-education, so units must develop comprehensive training plans to meet this requirement. The Defense Acquisition University is in the process of developing a contingency contracting course but it will be some time before units will be able to get several Marines to the course.

Customers, and in particular senior commanders, need to be trained and educated on the procedures and regulations that pertain to contracting. Many times customers become agitated with the contracting process, because they fail to realize



the extent of the contracting procedures that must be adhered to in order to legally provide the customer with the required goods and services. The commanders and customers must understand the requirements of the contracting section, so that they may include contracting as early as possible in the planning stages. The customers must also be educated in the proper procedures of filling out requisitions. Through better education and understanding, a more efficient and effective acquisition process can be realized.

#### **5. Marine Corps Lesson Learned System (MCLLS)**

Every time Marine Corps contracting personnel deploy, there are events that were good and those that were not. The rest of the Marine Corps contracting community should learn from those experiences. In order to do that though, the rest of the Marine Corps must first have access to those experiences. The Marine Corps has an established method for documenting lessons learned and that is MCLLS. Currently no entries exist in the system detailing the experiences of Marine Corps contracting personnel. Contracting sections must begin to document both good and bad experiences.

### **C. ANSWERS TO RESEARCH QUESTIONS**

#### **1. What were the critical challenges facing U.S. Marine Corps contracting personnel during Desert Shield and Desert Storm?**

The critical challenges faced by the contracting personnel were:

1. How to get qualified personnel into the theater of operations in a timely manner.
2. How to tactfully deal with the customers and make them understand the contracting procedures.

3. How to establish an effective contracting organization given the confusing command structure under which the contracting office functioned.
4. How to build confidence in a somewhat inexperienced contracting staff.

**2. What were the major factors contributing to these challenges?**

The following factors contributed the major challenges:

1. A lack of contracting officers at the FSSG.
2. Having untrained personnel sent in-country early on without sufficient support.
3. A lack of prior planning for contracting.
4. A confusing command structure.

**3. How did the contracting personnel respond to these challenges?**

The contracting personnel responded to all challenges to the best of their abilities. Eventually, enough qualified personnel arrived in-theater to establish a credible contracting office. This office was able to provide the Marines with the required goods and services in a timely manner. Only the most senior individuals had to contend with the command structure and thus, the officers were able to remove that burden from the enlisted Marines. The officers and senior staff noncommissioned officers were able to build confidence in the workforce by working closely and training the more inexperienced personnel.

**4. What were some of the alternatives or options that could have been employed to overcome the challenges?**

Given the structure and organization of the various contracting organizations involved in Operations Desert Shield and Desert Storm, it is inconceivable that any alternative actions could have been taken by the contracting personnel that would have positively impacted their operations when faced with these challenges. Outside of any prior contracting planning being accomplished at any level, there were no alternatives that could have been taken that would have significantly reduced the difficulties experienced by the contracting personnel.

**5. What significant changes took place after the novation was executed in November 1990 that placed financial responsibility for the funding of five commodities with the Saudi Government?**

One significant change caused by the novation was that the U.S. Government would no longer have to carry the financial burden of its forces. A second significant change was that now it would take longer, on average, for the Marines in the field to receive their requested goods and services.

**6. What were the reporting relationships and management structure of the various contracting cells and personnel?**

The structure of the contracting office itself was fairly standard and an organizational chart is provided in Chapter III. The command structure of the contracting office was confusing. The Head of Contracting worked for the senior commander and received guidance and direction from the MEF G-4 staff. However, the Head of Contracting's fitness report was written by the senior FSSG commander.

**7. What contracting procedures were in use at the time and what exists today?**

There have been no major revisions in the way a deployed contracting office will operate. The Federal Acquisition Streamlining Act of 1994 has increased the small purchase threshold to \$200,000 in contingencies, but that is the only change that

applies specifically to contingency contracting. If a contracting cell was to deploy today it would operate under basically the same conditions as existed in 1990 except with higher thresholds.

#### **D. AREAS FOR FURTHER RESEARCH**

##### **1. Standard Deployed Contracting Software System**

There currently exists numerous contracting software packages that are used by DoD units during contingency operations. What is the best system to be used by all DoD contracting personnel during contingency contracting operations?

##### **2. Contract Administration**

Identify the contract administration procedures that were conducted and those that were not conducted during Operations Desert Shield and Desert Storm and what impact this had on the total contracting effort.

##### **3. Contract Closeout Procedures**

Identify the problems encountered during the contract closeout procedures after Operation Desert Storm.



## **APPENDIX. LIST OF ABBREVIATIONS**

ASU	Administrative Support Unit
BPA	Blanket Purchase Agreement
BSSG	Brigade Service Support Group
CINC	Commander in Chief
CSSE	Combat Service Support Element
DAWIA	Defense Acquisition Workforce Improvement Act
DD Form 1155	Form used for Orders for Supplies or Services
DFARS	Defense Federal Acquisition Regulation Supplement
DOC	Director of Contracting
DoD	Department of Defense
FAR	Federal Acquisition Regulation
FSSG	Force Service Support Group
G-4	Logistical Staff Officer to the Commander
GySgt	Gunnery Sergeant (E-7)
HQMC	Headquarters Marine Corps
I&L	Installations and Logistics
ITS	Individual Training Standards

LBO	Field Contracting Support Office, Contracts Division, Headquarters Marine Corps
MAGTF	Marine Air-Ground Task Force
MARFORRES	Marine Forces Reserve
MEB	Marine Expeditionary Brigade
MEF	Marine Expeditionary Force
MEU	Marine Expeditionary Unit
MCLLS	Marine Corps Lesson Learned System
MODA	Ministry of Defense and Aviation
MOS	Military Occupational Specialty
MPF	Maritime Prepositioned Force
MPSRon	Maritime Preposition Squadron
NCO	Noncommissioned Officer (E-4 & E-5)
OJT	On the Job Training
PMR	Procurement Management Review
RCO	Regional Contracting Officer
SF-44	Standard Form 44, Purchase Order-Invoice-Voucher
Sgt	Sergeant (E-5)
SNCO	Staff Noncommissioned Officer (E-6 thru E-9)
SSgt	Staff Sergeant (E-6)

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3044 Purchasing and Contracting Specialist





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